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Fay Sharpe LLP 1228 Euclid Avenue, 5th Floor The Halle Building Cleveland, OH 44115			SORKOWITZ, DANIEL M	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/743,520	Applicant(s) CALABRIA ET AL.
	Examiner DANIEL M. SORKOWITZ	Art Unit 3622

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If no period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED. (35 U.S.C. § 133).

Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on **4/2/09**.

2a) This action is **FINAL**. 2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) **1-21,23-52 and 55-60** is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) Claim(s) _____ is/are allowed.

6) Claim(s) **1-21, 23-52 and 55-60** is/are rejected.

7) Claim(s) _____ is/are objected to.

8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) Notice of References Cited (PTO-892)
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
 3) Information Disclosure Statement(s) (PTO/136/08)
Paper No(s)/Mail Date 5/18/09

4) Interview Summary (PTO-413)
Paper No(s)/Mail Date _____

5) Notice of Informal Patent Application

6) Other: _____

Notice to Applicant

This communication is in response to the RCE for application 10/743520 filed on 4/2/2009. Claims 22 and 53-54 have been cancelled by Applicant. Claim 60 has been added by Applicant. Claims 1-21, 23-52 and 55-60 have been examined.

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 4/2/2009 has been entered.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

1. **Claims 42-52 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

Regarding claims 42 and 45, these claims recites the step of "selecting one or more optimized key words based at least in part on the at least one candidate advertisement". It is unclear as to what this step is meant to represent. Is the keyword selected based on the ad,? If so, then there is no step of optimizing actively claimed. Since it is unclear as to what applicant is intending to claim, the claim itself becomes indefinite. Claims 43-52 inherit this rejection as each depends from claim 42. For the purposes of applying prior art, the Examiner will interpret the claim to read "selecting one or more keywords based at least in part on the at least one candidate advertisement".

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21 (2) of such treaty in the English language.

2. **Claims 1-21, 23-52, 55, and 57-58 are rejected under 35 U.S.C. 102 (e) as being anticipated by US Patent Application Publication Number 2003/0105677 by Skinner (hereinafter "Skinner").**

Regarding claims 1, 31, 40, 42-43, 57, Skinner discloses

Selecting at least one candidate advertisement associated with an advertiser and an initial plurality of candidate keywords (figure 2 #42-44, figure 3 #50, page 2 paragraph 14 and 18 and page 3 paragraph 37-43, referred to as search terms related to an advertiser's service or product and linked to web site);

expanding the initial plurality of candidate keywords based at least in part on the at least one candidate advertisement (page 3 paragraph 37-39, referred to as populating the search term database);

d) creating an advertisement-keyword pair for each candidate advertisement and each candidate keyword, wherein each advertisement-keyword pair includes one or more keywords of the expanded plurality of candidate keywords (page 3 paragraph 37-39, referred to as search term paired with advertiser's listing, for search engine);

estimating a click-through rate for each advertisement-keyword pair (page 3 paragraph 43);

calculating a return on advertising investment (ROAI) for each advertisement-keyword pair based at least in part on a click-through rate for each advertisement-keyword pair (page 4 paragraph 44-60);

automatically submitting the optimized bids to the competitive bidding process for placement of each candidate advertisement in

search results lists generated in response to search queries comprising at least one keyword of the expanded plurality of candidate keywords (page 2 paragraph 14 -20).

Regarding claim 2, The system of Skinner may be used multiple times and for multiple keywords.

Regarding claim 3, Skinner discloses keywords based at least in part on information provided by the advertiser (figure 3 #50, page 3 paragraph 37-43).

Regarding claim 4, Skinner discloses keywords are automatically generated at least in part based at least in part from the initial plurality of candidate keywords which is based at least in part on information provided by the advertiser (figure 3 #50, page 3 paragraph 37-43).

Regarding claim 5, Skinner discloses keywords automatically generated based at least in part from content in an advertiser web site. (figure 3 #50, page 3 paragraph 37-43).

Regarding claim 6, Skinner discloses the list of candidate keywords is automatically generated at least in part from content of the at least one candidate advertisement . (figure 3 #50, page 3 paragraph 37-43).

Regarding claims 7, 32, Skinner discloses keywords automatically generated based at least in part from one or more of at least one keyword provided by the advertiser, content in an advertiser web site, and content of the at least one candidate advertisement (figure 3 #50, page 3 paragraph 37-43).

Regarding claim 8, Skinner discloses the click-through rate for each advertisement-keyword pair is estimated by placing the corresponding candidate advertisement in the search results list on a trial basis (page 3 paragraph 38-39, referred to as a given period of time, day month, or year).

Regarding claim 9, Skinner discloses the click-through rate for each advertisement-keyword pair is estimated based at least in part on the relevance of content in the corresponding candidate advertisement to the keywords for the corresponding advertisement-keyword pair (page 3 paragraph 37-43).

Regarding claim 10, Skinner discloses the estimated click-through rate for each advertisement-keyword pair is periodically revised based on actual search queries, search results lists, and click-throughs corresponding to the advertisement-keyword pair (referred to as a continuous function pair (page 3 paragraph 37-43).

Regarding claims 11 and 33, and 41, Skinner discloses tracking the advertisement-keyword pair at the time a user clicks on the corresponding advertisement in the search results list (page 3 paragraph 37-43); tracking a revenue event and corresponding revenue amount associated with sales through an advertiser web site associated with the search results list (page 3 paragraph 37-43); and associating the tracked advertisement-keyword pair clicks with the tracked revenue events and corresponding revenue amounts (page 3 paragraph 37-43).

Regarding claim 12, Skinner discloses wherein tracking the advertisement-keyword pair is accomplished at least in part by using one or more of a tracking URL, a form, and a cookie (page 3 paragraph 41).

Regarding claim 13, Skinner discloses the revenue event includes at least one of a sale, a lead generation, and a form submission (page 3 paragraph 41).

Regarding claims 14 and 16, Skinner discloses the revenue event and corresponding revenue amount are stored in a database associated with the advertiser web site (figure 2, page 3 paragraph 41).

Regarding claim 15, Skinner discloses an image bug is placed on the advertiser web site and the revenue event and corresponding revenue amount are stored in a service provider web site (figure 2, page 3 paragraph 41).

Regarding claims 17-18 and 34, Skinner discloses tracked advertisement-keyword pair clicks and tracked revenue events and revenue amounts are received by web services (figure 2 page 3 paragraph 41-43).

Regarding claims 19 and 35, Skinner discloses considering the relevance of the advertiser web site to the advertisement-keyword combination (page 5 paragraph 62).

Regarding claims 20 and 36, Skinner discloses considering an experience level in a user associated with submission of the search query and selection of an advertisement in the corresponding search results list,

wherein the experience level is in relation to at least one of the advertisement in the advertisement-keyword combination, the keyword in the advertisement-keyword combination, the advertiser, the advertiser web site, products associated with the advertiser, and services associated with the advertiser (figure 2 page 3 paragraph 41-43, referred to as prior visits and purchases from advertiser web site).

Regarding claim 21, Skinner discloses calculating ROAI based at least in part on information received from the advertiser (figure 3 #50, page 3 paragraph 37-43).

Regarding claims 23 and 37, Skinner discloses optimized bids calculated in q) are optimized based at least in part on optimization of ROAI for at least one of the candidate advertisement and the one or more candidate keywords associated with the corresponding advertisement-keyword pair (abstract).

Regarding claims 24 and 38, Skinner discloses recommending an optimal set of bid combinations with respect to profitability for the advertiser creating a corresponding automatic insertion order for placing the advertisement-keyword combinations ((abstract).

Regarding claims 25 and 39, Skinner discloses bid combinations is sorted by a product of the click-through rate and ROAI and insertion orders are placed in the sorted order (page 4 paragraph 44-47).

Regarding claim 26-27, Skinner discloses that the advertiser constrains the set of bid combinations by at least one of an advertisement budget, maximum budget, and a capacity budget (page 2 paragraph 14 and 18, referred to as staying under the maximum bid amount desired for each item, and controlling advertising budget).

Regarding claim 28, Skinner discloses an advertiser constraint is a desired number of click-through for a predetermined period of time (page 3 paragraph 43 and page 4 paragraph 54-60).

Regarding claim 29, Skinner discloses the advertiser constraint is at least one of a multiplier of ROAI and a desired profit margin with respect to ROAI (page 4 paragraph 51-60).

Regarding claims 30, Skinner discloses the advertiser constraint is at least one of a maximum budget amount for a predetermined period of time, a desired number of click-throughs for a predetermined period of

time, a multiplier of ROAI, and a desired profit margin with respect to ROAI ((page 3 paragraph 43 and page 4 paragraph 51-60).

Regarding claim 44, Skinner discloses the at least one candidate advertisement selected is based at least in part on information from the advertiser and matching content of each candidate advertisement to one or more candidate keywords, wherein the matching of content is at least partially automated (page 3 paragraph 37-39).

Regarding claim 45, Skinner discloses optimized keywords are based at least in part on information from the advertiser; and wherein the one or more optimized keywords associated with each advertisement-keyword pair in c) are based at least in part on information from the advertiser (page 3 paragraph 37-39).

Regarding claim 46, Skinner discloses collecting information from an advertiser web site associated with the advertisement, wherein the advertiser web site information includes at least web site visits and web site sales (page 3 paragraph 37-43); and determining a return on advertising investment (ROAI) for each advertisement-keyword pair based least in part from the advertiser web site information, wherein the

determined ROAI is considered in calculating the corresponding optimized bid (page 4 paragraph 44-60).

Regarding claim 47, Skinner discloses receiving information from a user associated with the advertiser via an input device, wherein the user information is considered in calculating the optimized bids (page3 paragraph 39-40 and page 4 paragraph 54-56).

Regarding claim 48-49, Skinner discloses collecting information from a keyword search engine that aggregates advertising, associated with the search results list, wherein the keyword search engine information is associated with at least one of current bids for placement of advertisements and previous search queries, and wherein the keyword search engine information is considered in calculating the optimized bids (page3 paragraph 39-40 and page 4 paragraph 44-60).

Regarding claim 50, Skinner discloses collecting information from a bidding service provider associated with the search results list, wherein the bidding service provider information is associated with at least one of current bids for placement of advertisements and previous search queries, and wherein the bidding service provider information is considered in calculating the optimized bids in (page3 paragraph 39-43).

Regarding claim 51, Skinner discloses collecting information from an advertiser web site associated with the wherein the advertiser web site information is considered in calculating the optimized bids (page3 paragraph 39-40 and page 4 paragraph 44-60).

Regarding claim 52, Skinner discloses collecting information from a competitor web site associated with a competitor in relation to the advertiser, wherein the competitor web site information is considered in calculating the optimized bids (page 4 paragraph 48).

Regarding claim 55, Skinner discloses calculating the ROAI is based at least in part on historical sales data from sales made on an advertiser's website that are associated with at least one keyword of the expanded plurality of candidate keywords and cost -per click associated with the keyword in order to determine a value of the keyword (page 3 paragraph 40-41 and page 4 paragraph 44-60).

Regarding claim 58, Skinner discloses optimized bids calculated in s) are based at least in part on an aggressiveness setting which optimizes bidding strategy based on sales and visitor data, ROAI, current and

historical bidding data (page 5 paragraph 62-68, referred to as premium placement, the bid to top rank a term, and bid for linguistic value).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. **Claim 56 and 59 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent Application Publication Number 2003/0105677 by Skinner (hereinafter “Skinner ”)in view of US Patent Application Publication Number 2003/0055816 by Paine.**

Regarding claim 56, Skinner discloses determining that the optimized bid associated with the given advertisement-keyword pair will not win in the competitive bidding process (page 4 paragraph 47). Skinner does not explicitly disclose performing a search query to find alternative keywords similar to the *one* or more keywords associated with the given

advertisement-keyword pair. However, Paine discloses performing a search query to find alternative keywords (abstract). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Skinner to find optimized bids for alternative keywords in addition to the advertiser's designated keywords. Paine discloses that because different users will use different keywords to find the same information, it is important for an advertiser to bid on a wide variety of search terms in order to maximize traffic to his site (page 1 paragraph 4).

Regarding claim 59, Skinner discloses collecting and analyzing bid information from at least one competitor from a website to determine competitor bid amounts (page 4 paragraph 48). Skinner does not explicitly disclose collecting and analyzing information from at least one competitor's website to select one or more competitor keywords. However, Paine discloses collecting and analyzing information from at least one competitor's website to select one or more competitor keyword (abstract). Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Skinner to find optimized bids for competitor keywords in addition to the advertiser's designated keywords. Paine discloses that because different users will use different keywords to find the same information, it is important for an

advertiser to bid on a wide variety of search terms in order to maximize traffic to his site (page 1 paragraph 4).

4. **Claim 60 rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent Application Publication Number 2003/0105677 by Skinner (hereinafter "Skinner ") in view of US Patent Application Publication Number 2003/0055816 by Paine in further view of over US Patent Application Publication Number 2004/0093296 by Phelan et al.**

Regarding claim 60, Skinner discloses determining a competitor's bid for a keyword based at least in part on the competition assessment, wherein the optimized bids calculated in g) are based at least in part on competitor bids for competitor keywords related to the one or more candidate keywords for advertisement-keyword pairs for corresponding optimized bids (page 4 paragraph 48). Skinner and Paine do not explicitly disclose calculating a competitor ROAI. However, Phelen discloses Calculating and analyzing a customer's ROAI against that of competition page 8 paragraph 101-106. Therefore it would have been obvious to one of ordinary skill in the art at the time of the invention to modify the system of Skinner combined with Paine to include competitor ROAI in the bid optimization logic. Information about a competitor is used to develop more effective marketing.

Response to Arguments

This rejection has been amended to reflect the changes to the claim language and arguments submitted by the applicant are rendered moot due to new art rejections. Therefore, the Examiner maintains the rejection to the Applicant's claims.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to DANIEL M. SORKOWITZ whose telephone number is (571)270-5206. The examiner can normally be reached on Monday through Friday from 8:30AM-4:30PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on 571-272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private

PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/D.M.S./
Examiner, Art Unit 3622

/Michael Bekerman/
Examiner, Art Unit 3622